

BEAR STEARNS COMPANIES INC
Form 424B3
December 14, 2007

Title of Each Class of Securities Offered	Maximum Aggregate Offering Price	Amount of Registration Fee ⁽¹⁾
Medium-Term Notes, Series B	\$200,000,000.00	\$3,453.46*

(1) Calculated in accordance with Rule 457(r) of the Securities Act of 1933, as amended. The fee of \$3,453.46 is being paid in connection with the registration of these Medium-Term Notes, Series B.

*Filing fees of \$2,303.71 and \$382.83 were paid in connection with the Pricing Supplements filed on July 19, 2007 and August 14, 2007, respectively.

**Filed pursuant to Rule 424(b)(3)
Registration No. 333-136666
Amends and Supersedes Pricing Supplement dated
August 14, 2007
PRICING SUPPLEMENT
(To Prospectus Dated August 16, 2006 and
Prospectus Supplement Dated August 16, 2006)**

**The Bear Stearns Companies Inc.
BearLinxSM Alerian MLP Select Index ETN**

- The Notes are linked to the performance of the Alerian MLP Select Index (the “Index”). **The Notes are not principal protected.** When we refer to Notes in this pricing supplement, we mean Notes with a principal amount of \$38.8915 (the “Principal Amount”). The aggregate Principal Amount of the Notes is \$200,000,000.00.¹
- The Index measures the composite performance of energy oriented Master Limited Partnerships (“MLPs”), and is calculated by Standard & Poor’s using a float-adjusted, market capitalization-weighted methodology, as described herein.
- The Notes are currently listed for trading on the New York Stock Exchange (the “NYSE”) under the ticker symbol “BSR”. NYSE Euronext, Inc., the parent company of the NYSE, has informed the Issuer that it is transferring all exchange-traded notes and exchange-traded funds currently listed for trading on the NYSE, including the Notes, to the NYSE Arca platform. The Issuer is currently in the process of taking the steps necessary to effect this transfer. The Issuer expects the process to be completed by the first quarter of 2008. If an active secondary market in the Notes develops, we expect that investors will purchase and sell the Notes primarily in the secondary market.
- As further described herein, the Notes will pay a coupon on a monthly basis in an amount per Note in U.S. dollars equal to the difference between the gross cash dividends from the MLPs in the Index attributable to the Notes (adjusted for the relative weightings within the Index as described herein) in the prior month less a tracking fee. To the extent the gross cash dividends for any monthly period would be less than the tracking fee, no coupon will be paid, and the difference between the tracking fee and the gross cash dividends in such month will be added to the tracking fee for the following month.
- On the Maturity Date, you will receive the Cash Settlement Amount, an amount per Note in U.S. dollars equal to (i) the Principal Amount multiplied by the Index Ratio minus (ii) the accrued tracking fee, if any, where:
 - “Index Ratio” means the Final VWAP Level divided by the Initial VWAP Level;
 - “Initial VWAP Level” means 388.915, the arithmetic mean of the VWAP Levels measured on each Index Business Day during the initial measurement period set in accordance with the VWAP Schedule above, as determined by the Calculation Agent;
 - “Final VWAP Level” means the arithmetic mean of the VWAP Levels measured over a period of five Index Business Days from and including the Calculation Date (as defined herein), as determined by the Calculation Agent; and
 - “VWAP Level,” means, as of any date of determination and with respect to the Index, an amount equal to the quotient

of (1) the arithmetic mean of the sum for each MLP in the Index of the products of (i) the volume weighted-average price of that MLP as of such date and (ii) the published share weighting of that MLP as of such date, divided by (2) the Index Divisor as of such date, as determined by the Calculation Agent.

The Notes may be redeemed as of the last business day of each week during the term of the Notes. If you redeem your Notes you will receive a payment in U.S. dollars equal to the Cash Settlement Amount minus a redemption fee and plus a coupon payment, if any. The Notes may be redeemed only in amounts of 75,000 Notes or more, subject to adjustment by the Calculation Agent.

The Notes are not principal protected. Therefore, you may receive less, and possibly significantly less, than the principal you invested.

The CUSIP number for the Notes is 073902835.

INVESTMENT IN THE NOTES INVOLVES CERTAIN RISKS. THERE MAY NOT BE AN ACTIVE SECONDARY MARKET IN THE NOTES, AND IF THERE WERE TO BE AN ACTIVE SECONDARY MARKET, IT MAY NOT BE LIQUID. YOU SHOULD REFER TO "RISK FACTORS" BEGINNING ON PAGE PS-14.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the Notes or determined that this pricing supplement, or the accompanying prospectus supplement and prospectus, is truthful or complete. Any representation to the contrary is a criminal offense.

The distribution of the Notes will conform to the requirements set forth in Rule 2720 of the Conduct Rules of the National Association of Securities Dealers, Inc.

Bear, Stearns & Co. Inc.

December 14, 2007

¹ \$75,039,438.02 aggregate Principal Amount of Notes were issued on July 20, 2007; \$12,470,150 aggregate Principal Amount of Notes were issued on August 10, 2007; \$5,106,000.00 aggregate Principal Amount of Notes were issued on December 12, 2007.

SUMMARY

This summary highlights selected information from the accompanying prospectus and prospectus supplement and this pricing supplement to help you understand the Notes linked to the Index. You should carefully read this entire pricing supplement and the accompanying prospectus supplement and prospectus to fully understand the terms of the Notes, as well as certain tax and other considerations that are important to you in making a decision about whether to invest in the Notes. You should carefully review the section “Risk Factors” in this pricing supplement and “Risk Factors” in the accompanying prospectus supplement which highlight a number of significant risks, to determine whether an investment in the Notes is appropriate for you. All of the information set forth below is qualified in its entirety by the more detailed explanation set forth elsewhere in this pricing supplement and the accompanying prospectus supplement and prospectus. If information in this pricing supplement is inconsistent with the prospectus or prospectus supplement, this pricing supplement will supersede those documents. In this pricing supplement, the terms “Company,” “we,” “us” and “our” refer only to The Bear Stearns Companies Inc. excluding its consolidated subsidiaries.

The Bear Stearns Companies Inc. BearLinxSM Alerian MLP Select Index ETN (the “Notes”), are notes whose return is tied or “linked” to the performance of the Alerian MLP Select Index (the “Index”). The Index measures the composite performance of energy oriented Master Limited Partnerships (“MLPs”), and will be calculated by Standard and Poor’s using a float-adjusted, market capitalization-weighted methodology. The Notes are not principal protected, **therefore you may receive less, and possibly significantly less, than the principal you invested**. When we refer to the Note or Notes in this pricing supplement, we mean \$38.8915 principal amount of Notes.

The Notes will pay a coupon, if any, on each Coupon Payment Date. For each Note you hold, on each Coupon Payment Date you will receive an amount in U.S. dollars equal to the difference between the Reference Dividend Amount minus the Tracking Fee. If the Reference Dividend Amount is less than the Tracking Fee on any Coupon Valuation Date, there will be no coupon payment on the corresponding Coupon Payment Date, and the Tracking Fee for the next Coupon Payment Date will be increased by an amount equal to the Tracking Fee Shortfall. This process will be repeated until such time as the Reference Dividend Amount for any period of calculation is sufficient to cover the accrued Tracking Fee for all prior months.

On the Maturity Date, you will receive the Cash Settlement Amount, an amount per Note in U.S. dollars equal to (i) the Principal Amount multiplied by the Index Ratio minus (ii) the accrued Tracking Fee, if any. The Index Ratio is equal to the Final VWAP Level divided by the Initial VWAP Level. **If the Final VWAP Level is less than the Initial VWAP Level, you will receive less, and possibly significantly less, at maturity, than the principal you invested**.

The Notes may be redeemed prior to maturity as of the last Business Day of each week during the term of the Notes. In order to redeem your Notes, you must comply with the Notice Procedures described herein. Upon compliance with the Notice Procedures, the Calculation Date for the redeemed Notes will be accelerated to the Redemption Valuation Date, which shall automatically accelerate the final Coupon Valuation Date and the Maturity Date in accordance with the terms specified herein. On the accelerated Maturity Date, you will receive an amount equal to the Redemption Amount, which equals the sum of (i) the Cash Settlement Amount minus the Redemption Fee Amount plus (ii) the Coupon Amount, if any.

Selected Investment Considerations

- Growth potential - The Notes offer the possibility to participate in the potential appreciation of the Index. The return, if any, on the Notes is based upon the extent to which the Final VWAP Level is greater than the Initial VWAP Level.
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Index access - The Notes represent a unique opportunity to invest in a security that tracks the Alerian MLP Select Index. Due to our exclusive licensing agreement (see “Description of the Index - License Agreement”) this Note is the only security at present that will allow a Noteholder to track the Index.

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Exchange listed - The Notes are currently listed for trading on the New York Stock Exchange under the ticker symbol "BSR". NYSE Euronext, Inc., the parent company of the NYSE, has informed the Issuer that it is transferring all exchange-traded notes and exchange-traded funds currently listed for trading on the NYSE, including the Notes, to the NYSE Arca platform. The Issuer is currently in the process of taking the steps necessary to effect this transfer. The Issuer expects the process to be completed by the first quarter of 2008. If an active secondary market in the Notes develops, we expect that investors will purchase and sell the Notes primarily in the secondary market.

- Coupon - The Notes will pay a coupon on a monthly basis to the extent that the gross cash dividends from the MLPs in the Index attributable to the Notes (adjusted for the relative weightings within the Index as described herein) for the prior month minus a tracking fee.
- Early redemption - The Notes may be redeemed prior to maturity as of the last Business Day of each week in a minimum amount of 75,000 Notes.

Selected Risk Considerations

- ***Possible loss of principal - The Notes are not principal protected, therefore you may receive less, and possibly significantly less, than the principal you invested. If the Final VWAP Level is less than the Initial VWAP Level, the Cash Settlement Amount you will receive at maturity will be less than the principal you invested. In that case, you will receive less, and possibly significantly less, than the principal you invested.***
- Limited portfolio diversification - The Index Components are concentrated in the energy oriented Master Limited Partnership sector. Your investment may, therefore, carry risks similar to a concentrated investment in a limited number of industries or sectors.
- The level of the Index cannot be predicted - The future performance of the Index is impossible to predict and, therefore, no future performance of the Notes or the Cash Settlement Amount may be inferred from any of the historical data or any other information set forth herein. Because it is impossible to predict the level of the Index or the performance of any of the Index Components, it is possible that the level of the Index and the VWAP Level will decline and you will lose all or part of the principal you invested.
- Liquidity - Although the Notes are currently listed on the New York Stock Exchange and we expect the Notes will be listed on the NYSE Arca platform once the transfer described above is completed, a trading market for your Notes may not exist at the time you desire to sell your Notes. In addition, our subsidiary, Bear, Stearns & Co. Inc. has advised us that they intend under ordinary market conditions to indicate prices for the Notes on request. However, we cannot guarantee that bids for outstanding Notes will be made; nor can we predict the price at which such bids will be made. If you sell your Notes prior to maturity, you may receive less than the principal you invested.
- Possible loss of value in the secondary market - If you sell your Notes prior to maturity, you may receive less than the principal you invested.
- Coupon payments are not guaranteed - You will not receive a coupon payment to the extent that, for any period of calculation, the amount of gross cash dividends that would be received by a Reference Holder of the Index Components would be less than the Tracking Fee. The yield on the Notes, therefore, may be less than the overall return you would earn if you purchased a conventional debt security at the same time and with the same maturity.
- Taxes - The U.S. federal income tax consequences of an investment in the Notes are uncertain. The Issuer and the holders agree (in the absence of an administrative or judicial ruling to the contrary) to treat the Notes for federal

income tax purposes as pre-paid cash-settled executory contracts linked to the value of the Index and, where required, to file information returns with the Internal Revenue Service (the "IRS") in accordance with such treatment. Assuming the Notes are treated as pre-paid cash-settled executory contracts, you should generally recognize capital gain or loss to the extent that the cash you receive on the

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Maturity Date or upon a sale or exchange of the Notes prior to the Maturity Date differs from your tax basis on the Notes (which will generally be the amount you paid for the Notes) and you agree with the Issuer to currently recognize as ordinary income any coupon received in respect of the Notes. However, other treatments are possible. Prospective investors are urged to consult their tax advisors regarding the U.S. federal income tax consequences of an investment in the Notes.

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KEY TERMS

Issuer: The Bear Stearns Companies Inc.

Index: The Alerian MLP Select Index (ticker "AMZS"), as published by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("Sponsor"), in consultation with Alerian Capital Management LLC ("Alerian").

The Index measures the composite performance of energy oriented Master Limited Partnerships ("MLPs"), and is calculated by the Sponsor using a float-adjusted, market capitalization-weighted methodology. The objective of the Index is to provide investors with an unbiased, comprehensive benchmark for the performance of the energy Master Limited Partnership universe. The MLPs underlying the Index are generally limited partnerships engaged in the exploration, marketing, mining, processing, production, storage or transportation of any mineral or natural resource. The Index itself is disseminated real-time on a price-return basis and is listed on the Chicago Mercantile Exchange.

Index Components: As of any date of determination, the constituents underlying the Index.

Closing Date: July 11, 2007, and any date thereafter as determined by the Issuer with respect to any Further Issuance.

Settlement Date: July 20, 2007, and any date thereafter as determined by the Issuer with respect to any Further Issuance.

Pricing Date: July 19, 2007, and any date thereafter as determined by the Issuer with respect to any Further Issuance.

Initial Measurement Period: July 12, 2007 to July 19, 2007.

Principal Amount: The Notes will be denominated in U.S. dollars. The Notes may be issued in minimum denomination of \$38.8915 per Note, and integral multiples of \$38.8915 thereafter. The minimum purchase for any purchaser domiciled in a Member state of the European Economic Area shall be \$100,000. The aggregate principal amount of the Notes being offered is \$200,000,000.00. When we refer to Note or Notes in this pricing supplement, we mean Notes with a principal amount of \$38.8915.

Further Issuances: We may, without your consent, offer further issuances of the Notes at offering prices based upon market conditions and VWAP Levels at that time. If there is substantial demand for the Notes, we may issue additional Notes frequently. These further issuances, if any, will be consolidated to form a single series with the Notes and will have the same CUSIP number and will trade interchangeably with the Notes immediately upon settlement.

Index Divisor: As of any date of determination, the divisor used by the Sponsor to calculate the level of the Index, as further described under "Description of the Index - Computation of the Index" herein.

Coupon: The Notes will pay a coupon, if any, on each Coupon Payment Date. For each Note you hold, on each Coupon Payment Date you will receive an amount in U.S. dollars equal to the difference between the Reference Dividend Amount minus the Tracking Fee (the "Coupon Amount"). To the extent the Reference Dividend Amount is less than the Tracking Fee on any Coupon Valuation Date, there will be no coupon payment made on the corresponding Coupon Payment Date, and an amount equal to the difference between the Tracking Fee and the Reference Dividend Amount in respect of such period (the "Tracking Fee Shortfall") will be added to the Tracking Fee deducted from the Reference Dividend Amount in respect of the next Coupon Payment Date. For the avoidance of doubt, the process will be repeated to the extent necessary until such time as the accrued Tracking Fee has been deducted from the appropriate Reference Dividend Amount.

in all prior months.

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Coupon Payment Date: Means the fifth Business Day following each Coupon Valuation Date, subject to adjustment as described herein.

C o u p o n Valuation Date: Means the first Business Day of each calendar month during the term of the Notes beginning on August 1, 2007, and the last Coupon Valuation Date shall be the Calculation Date, subject to adjustment as described herein.

Reference Dividend

Amount: As of any Coupon Payment Date, an amount per Note equal to the gross cash dividends that would have been received by a Reference Holder in respect of a quantity of Index Components held by such Reference Holder on an “ex-dividend date” with respect to any Index Component, which “ex-dividend date” occurred during the period from and including the first Index Business Day following the Initial Measurement Period and to and excluding the immediately preceding Coupon Valuation Date. Any non-cash dividends that would have been received by a Reference Holder during any period of determination will be valued in cash by the Calculation Agent and will be included in the gross cash dividends for purposes of this calculation.

Tracking Fee: As of any date of determination, an amount per Note equal to the product of 0.070834% (representing 0.85% per annum) multiplied by the Current NAV. The Tracking Fee will be increased by an amount equal to any Tracking Fee Shortfall.

Current NAV: As of any date of determination, an amount per Note equal to the product of (i) the Principal Amount multiplied by (ii) a fraction, the numerator of which is equal to the VWAP Level as of such date and the denominator of which is equal to the Initial VWAP Level, as determined by the Calculation Agent.

Cash Settlement Amount: An amount per Note payable in U.S. dollars on the Maturity Date equal to (i) the Principal Amount multiplied by the Index Ratio minus (ii) the accrued Tracking Fee, if any.

I n d e x Ratio: As of any date of determination, an amount equal to the quotient of the Final VWAP Level divided by the Initial VWAP Level.

V W A P Level: As of any date of determination and with respect to the Index, the quotient of (1) the arithmetic mean of the sum for each Index Component of the products of (i) the volume weighted-average price of that Index Component as of such date and (ii) the published share weighting of that Index Component as of such date divided by (2) the Index Divisor as of such date, as determined by the Calculation Agent.

Initial VWAP Level: 388.915.

Final VWAP Level: The arithmetic mean of the VWAP Levels measured each Index Business Day in the Final Measurement Period, as determined by the Calculation Agent.

F i n a l Measurement Period: The five Index Business Days from and including the Calculation Date. The Final Measurement Period is subject to adjustment as described under “Description of the Notes - Redemption; Defeasance” and “Description of the Notes - Market Disruption Events”.

Calculation Date: July 9, 2027, unless such day is not an Index Business Day, in which case the Calculation Date shall be the next Index Business Day. The Calculation Date is subject to adjustment as described under “Description of the Notes - Redemption; Defeasance” and “Description of the Notes - Market Disruption Events”.

Maturity Date: The third Business Day following the final Index Business Day in the Final Measurement Period.

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Early Redemption Event: You may redeem your Notes as of the last Business Day of each week during the term of the Notes (each, a “Redemption Valuation Date”) by delivering a Redemption Notice to us via email no later than 10:00 a.m. New York City time on the Business Day prior to such Redemption Valuation Date. If we receive your Redemption Notice in accordance with the foregoing, we or our affiliate will send a form of Redemption Confirmation to you via return email, which you must complete, execute and return to us via facsimile by no later than 4:00 p.m. New York City time on the same Business Day. We or our affiliate must acknowledge receipt of your completed Redemption Confirmation in order for your redemption to be effective. The procedures described in the foregoing paragraph are referred to herein as the “Notice Procedures.”

Upon compliance with the Notice Procedures, the Calculation Agent will accelerate the Calculation Date with respect to the Notes being redeemed to the relevant Redemption Valuation Date, which will automatically accelerate the final Coupon Valuation Date and the Maturity Date with respect to the Notes being redeemed in accordance with the terms set forth herein. On the accelerated Maturity Date you will receive an amount per Note in U.S. dollars equal to (i) the Cash Settlement Amount minus Redemption Fee Amount plus (ii) the Coupon Amount, if any (the “Redemption Amount”).

The Tracking Fee applicable to the Notes subject to an Early Redemption Event shall be an amount equal to the sum of (i) the Tracking Fee Shortfall as of the last Coupon Valuation Date (if any) plus (ii) the Tracking Fee as of the next Coupon Valuation Date multiplied by a percentage, the numerator of which is the total number of days since the prior Coupon Valuation Date, and the denominator of which is 30 (the “Adjusted Tracking Fee”). To the extent the Reference Dividend Amount as of the accelerated Calculation Date is greater than the Adjusted Tracking Fee, the Redemption Amount will include a coupon payment equal to the Coupon Amount (with the Calculation Agent using the Adjusted Tracking Fee in calculating such Coupon Amount). To the extent the Reference Dividend Amount as of the accelerated Calculation Date is less than the Adjusted Tracking Fee, the Redemption Amount will not include any coupon payment, and an amount equal to the difference between the Adjusted Tracking Fee less the Reference Dividend Amount will be subtracted from the Index Ratio in determining the Cash Settlement Amount payable on the accelerated Maturity Date.

We will inform you of the Redemption Amount on the first Business Day following the final Index Business Day in the Final Measurement Period. Upon receipt, you must instruct your custodian at The Depository Trust Company (“DTC”) to book a delivery vs. payment trade with respect to your Notes on such date at a price equal to the Redemption Amount, facing Bear Stearns DTC 0352, and cause your DTC custodian to deliver the trade as booked for settlement via DTC at or prior to 10:00 a.m. New York City time, on the applicable accelerated Maturity Date.

You may redeem your Notes only in amounts of 75,000 Notes or greater, subject to adjustment by the Calculation Agent. You may not redeem your Notes in the week in which the Notes mature.

Redemption Notice: Means the form of redemption notice attached hereto as Appendix 1.

Redemption Confirmation: Means the form of redemption confirmation attached hereto as Appendix 2.

Redemption Fee: 0.125%

Redemption Fee Amount: As of any date of determination, an amount per Note in U.S. dollars equal to the product of the Redemption Fee multiplied by the applicable Cash Settlement Amount.

Reference As of any date of determination, a hypothetical holder of a number of shares of each of the Index Holder: Components in the then current weightings within the Index as if such holder had invested an amount in the Index as of that date equal to the then equivalent Cash Settlement Amount (as if the Calculation Agent were to determine the Cash Settlement Amount on that date), as determined by the Calculation Agent.

Exchange The Notes are currently listed for trading on the New York Stock Exchange under the ticker symbol “BSR”.

Listing: NYSE Euronext, Inc., the parent company of the NYSE, has informed the Issuer that it is transferring all exchange-traded notes and exchange-traded funds currently listed for trading on the NYSE, including the Notes, to the NYSE Arca platform. The Issuer is currently in the process of taking the steps necessary to effect this transfer. The Issuer expects the process to be completed by the first quarter of 2008.

Business Any day other than a Saturday or Sunday, on which banking institutions in New York, New York, are not **Day:** authorized or obligated by law or executive order to close.

Index Business Any day on which each Primary Exchange and each Related Exchange are scheduled to be open **Day:** for trading.

Primary With respect to each Index Component, the primary exchange or market of trading of such Index **Exchange:** Component.

Related With respect to each Index Component, each exchange or quotation system where trading has a **Exchange:** material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Index Component.

Calculation Agent: Bear, Stearns & Co. Inc.

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Offers and sales of the Notes are subject to restrictions in certain jurisdictions. The distribution of this pricing supplement, the accompanying prospectus supplement and prospectus and the offer or sale of the Notes in certain other jurisdictions may be restricted by law. Persons who come into possession of this pricing supplement, and the accompanying prospectus supplement and prospectus or any Notes must inform themselves about and observe any applicable restrictions on the distribution of this pricing supplement, the accompanying prospectus supplement and prospectus and the offer and sale of the Notes. Notwithstanding the minimum denomination of \$38.8915, the minimum purchase for any purchaser domiciled in a member state of the European Economic Area shall be \$100,000.

QUESTIONS AND ANSWERS

What are the Notes?

The Notes are a series of our senior debt securities, the value of which is linked to the performance of the Index. Unless redeemed earlier, the Notes will mature on the Maturity Date. When we refer to Notes in this pricing supplement, we mean Notes with a \$38.8915 Principal Amount. You should refer to the section “Description of the Notes.”

Are the Notes equity or debt securities?

The Notes are our unsecured debt securities. However, the Notes differ from traditional debt securities in that the Notes are not principal protected. If, at maturity or upon redemption, the Final VWAP Level is less than the Initial VWAP Level, you will receive less, and possibly significantly less, than the principal you invested.

Are the Notes principal protected?

The Notes are not principal protected, therefore, you may lose up to 100% of the principal amount of your Notes. If, at maturity, the Final VWAP Level is less than the Initial VWAP Level, you will receive less, and possibly significantly less, than the principal you invested. You should understand that the future performance of the Index is impossible to predict and therefore no future performance of the Notes and the Index may be inferred from the past historical performance of the Index.

Will I receive interest on the Notes?

On the first Business Day of each calendar month during the term of the Notes, the Calculation Agent will determine the amount per Note of gross cash dividends that a Reference Holder would have received in respect of a quantity of Index Components held by such Reference Holder on an “ex-dividend date” with respect to any Index Component, which “ex-dividend date” occurred during the period from and including the first Index Business Day following the Initial Measurement Period to and excluding the immediately preceding Coupon Valuation Date. If such amount is greater than the tracking fee equal to 0.070834% of the current value of a Note measured as the relevant date of determination, you will receive a coupon payment on the fifth Business Day following such Coupon Valuation Date in an amount per Note in U.S. dollars equal the pro rata amount of such excess. No coupon payment will be made for any period of calculation in which the tracking fee is greater than the amount of gross cash dividends for such period, and the amount of such tracking fee shortfall will be added by the Calculation Agent to the tracking fee to be deducted from the gross cash dividends in respect of the following period. This process will be repeated until such time as the gross cash dividends for any period of calculation are sufficient to cover the amount of the accrued tracking fee for all prior months. You should see “Description of the Notes - Coupon Payments” for further information.

What will I receive at maturity on the Notes?

On the Maturity Date you will receive the Cash Settlement Amount, an amount in cash that depends upon the relation of the Final VWAP Level to the Initial VWAP Level. The Notes are not principal protected. ***Therefore, you may receive less, and possibly significantly less, than the principal you invested.***

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If you hold your notes to maturity, on the Maturity Date you will receive the Cash Settlement Amount, an amount per Note in U.S. dollars equal to (i) the Principal Amount multiplied by the Index Ratio minus (ii) the accrued Tracking Fee, if any.

The “Index Ratio,” as of any date of determination, is an amount equal to the quotient of the Final VWAP Level divided by the Initial VWAP Level.

The “Initial VWAP Level” equals 388.915.

The “Final VWAP Level” will equal the arithmetic mean of the VWAP Levels measured each Index Business Day in the Final Measurement Period, as determined by the Calculation Agent.

The “VWAP Level” means, as of any date of determination and with respect to the Index, the quotient of (1) the arithmetic mean of the sum for each Index Component of the products of (i) the volume weighted-average price of that Index Component as of such date and (ii) the published share weighting of that Index Component as of such date, divided by (2) the Index Divisor as of such date, as determined by the Calculation Agent.

The “Index Divisor” means, as of any date of determination, the divisor used by the Sponsor to calculate the level of the Index, as further described under “Description of the Index - Computation of the Index” herein.

The “Initial Measurement Period” means the period from July 12, 2007 to July 19, 2007.

The “Final Measurement Period” means the five Index Business Days from and including the Calculation Date. The Final Measurement Period is subject to adjustment as described under “Description of the Notes -Redemption; Defeasance” and “Description of the Notes - Market Disruption Events.”

The “Calculation Date” is July 9, 2027, unless such day is not an Index Business Day, in which case the Calculation Date shall be the next Index Business Day. The Calculation Date is subject to adjustment as described under “Description of the Notes -Redemption; Defeasance” and “Description of the Notes - Market Disruption Events.”

The “Maturity Date” of the Notes will be the third Business Day following the final Index Business Day in the Final Measurement Period.

For more specific information about the Cash Settlement Amount, you should refer to “Description of the Notes.”

May the Notes be redeemed prior to maturity?

You may redeem your Notes as of the last Business Day of each week during the term of the Notes by following the Notice Procedures, which generally require you to send us an email by no later than 10:00 a.m. New York City time on the date immediately prior to the applicable Redemption Valuation Date and to subsequently complete, execute and deliver to us a redemption confirmation via email by 4:00 p.m. New York City time on the same day. Once the Notice Procedures have been effectively complied with, the Calculation Agent will accelerate the Calculation Date to the relevant Redemption Valuation Date, which will have the effect of automatically accelerating the final Coupon Valuation Date and the Maturity Date with respect to the Notes being redeemed. On the first Business Day following the final Index Business Day of the Final Measurement Period, we or an affiliate will notify you of the Redemption Amount that you will receive with respect to the Notes being redeemed, at which time you must take certain actions with respect to your Depository Trust Company custodian to complete the redemption process, as further described herein. On the accelerated Maturity Date you will receive an amount per Note in U.S. dollars equal to the Cash Settlement Amount minus a redemption fee of 0.125% of the Cash Settlement Amount, plus a final coupon payment,

if any. You may redeem Notes only in amounts of 75,000 Notes or more. For additional information see “Description of the Notes - Redemption; Defeasance.”

Will there be additional offerings of the Notes?

We may, at our sole discretion, offer further issuances of the Notes. If there is substantial demand for the Notes, we may issue additional Notes frequently. These further issuances, if any, will be consolidated to form a single series with the Notes and will have the same CUSIP number and will trade interchangeably with the Notes immediately upon settlement. Any additional issuance will increase the aggregate principal amount of the outstanding Notes of this series to include the aggregate principal amount of any Notes bearing the same CUSIP number that are issued pursuant to any future issuances of Notes bearing the same CUSIP number. The price of any additional offerings will be determined at the time of pricing of each offering, which price will be a function of the VWAP Levels and prevailing market price of the Notes at the time of the relevant sale.

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recognize as ordinary income any coupon received in respect of the Notes. However, other treatments are possible.

On December 7, 2007, the IRS and the Treasury Department issued Notice 2008-2 under which they requested comments as to whether the purchaser of an exchange traded note or prepaid forward contract (similar to the Notes that we intend (and you agree) to treat as a pre-paid cash-settled executory contract, for U.S. federal income tax purposes) should be required to accrue income during its term under a mark-to-market, accrual or other methodology, whether income and gain on such a note or contract should be ordinary or capital, whether non-U.S. holders should be subject to withholding tax on any deemed income accrual, and whether the special “constructive ownership” rules of section 1260 of the Internal Revenue Code of 1986, as amended (the “Code”) might be applied to such instruments. Accordingly, it is possible that regulations or other guidance could provide that a U.S. holder of a Note is required to accrue income in respect of the Note prior to the receipt of payments under the Note or its earlier sale. Moreover, it is possible that any such regulations or other guidance could treat all income and gain of a U.S. holder in respect of a note as ordinary income (including gain on a sale) or subject to Section 1260. Finally, it is possible that a non-U.S. holder of the Note could be subject to U.S. withholding tax in respect of a Note. It is unclear whether any regulations or other guidance would apply to the Notes (possibly on a retroactive basis). Prospective investors are urged to consult with their tax advisors regarding Notice 2008-2 and the possible effect on the Notes.

PS-12

decrease in the level of the Index or the VWAP Level and thus in the value of the Notes. Securities are susceptible to general market fluctuations and to volatile increases and decreases in value, as market confidence in and perceptions regarding the Index Components change. Investor perceptions regarding the Index Components are based on various and unpredictable factors, including expectations regarding government, economic, monetary, tax and fiscal policies, inflation and interest rates, economic expansion or contraction, and global or regional political, economic, and banking crises. The level of the Index and the VWAP Level is expected to fluctuate until the Maturity Date.

PS-15

described herein.

PS-21

Payment at Maturity

Your investment may result in a loss because the Notes are not principal protected. On the Maturity Date, you will receive the Cash Settlement Amount, an amount in cash that depends upon the relation of the Final VWAP Level to the Initial VWAP Level. At maturity, if the Final VWAP Level is less than the Initial VWAP Level, the Cash Settlement Amount will be less than the initial offering price, in proportion to the percentage decline in the Index (not taking into consideration the Tracking Fee). In such a case, the principal amount of your investment is not protected and you will receive less, and possibly significantly less, than the principal you invested.

PS-22

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377.00	923.65	\$37.70	\$92.37	145.00%
377.00	942.50	\$37.70	\$94.25	150.00%

PS-25

Business Day, without regard to after hours or any other trading outside of the regular trading session hours.

PS-28

August 14, 2007

34.35

September 10, 2007

34.42

PS-29

Going forward, additional market capitalization, trading liquidity, and financial viability requirements must also be satisfied. These requirements have not been applied historically so as to eliminate any selection bias in the calculation of the Index. The Index has been created to provide a comprehensive benchmark for the historical performance of the energy MLP universe, necessitating the objectivity and transparency of inclusion of all MLPs engaged in energy-related businesses. All current Index Components will remain in future Index calculations and will be exempt from additional Index criteria, subject to review by the Index. New Index Components, however, in addition to the requirements listed above, will also be subject to the following conditions:

PS-31

October	183.51	230.78	256.81	290.78	310.02	358.13
November	183.53	239.00	267.31	278.06	320.88	342.71
December	190.35	251.50	273.29	270.90	325.37	

PS-34

consequences of the purchase, ownership or disposition of the Notes.

Accordingly, prospective investors are urged to consult their tax advisors with respect to the federal, state and local tax consequences of investing in the Notes, as well as any consequences arising under the laws of any other taxing jurisdiction to which they may be subject.

PS-36

In accordance with ERISA’s general fiduciary requirements, a fiduciary with respect to any ERISA Plan who is considering the purchase of Notes on behalf of such plan should consider the foregoing information and the information set forth in the prospectus and any applicable pricing supplement, and should determine whether such purchase is permitted under the governing plan document and is prudent and appropriate for the ERISA Plan in view of its overall investment policy and the composition and diversification of its portfolio. Fiduciaries of Plans established with, or for which services are provided by, us, Bear Stearns, and/or certain of our affiliates should consult with counsel before making any acquisition. Each purchaser of any Notes, the assets of which constitute the assets of one or more Plans, and each fiduciary that directs such purchaser with respect to the purchase or holding of such Notes, will be deemed to represent that the purchase, holding and disposition of the Notes does not and will not constitute a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code for which an exemption is not available.

PS-41

Certain employee benefit plans, such as governmental plans (as defined in Section 3(32) of ERISA) and, if no election has been made under Section 410(d) of the Code, church plans (as defined in Section 3(33) of ERISA), are not subject to Section 406 of ERISA or Section 4975 of the Code. However, such plans may be subject to the provisions of applicable federal, state or local law (“Similar Law”) similar to the foregoing provisions of ERISA or the Code. Fiduciaries of such plans (“Similar Law Plans”) should consider applicable Similar Law when investing in the Notes. Each fiduciary of a Similar Law Plan will be deemed to represent that the Similar Law Plan’s acquisition and holding of the Notes will not result in a non-exempt violation of applicable Similar Law.

The sale of any Note to a Plan or a Similar Law Plan is in no respect a representation by us or any of our affiliates that such an investment meets all relevant legal requirements with respect to investments by Plans or Similar Law Plans generally or any particular Plan or Similar Law Plan, or that such an investment is appropriate for a Plan or a Similar Law Plan generally or any particular Plan or Similar Law Plan.

PS-42

USE OF PROCEEDS AND HEDGING

We will use the net proceeds from the sale of the Notes for general corporate purposes. We or one or more of our subsidiaries (including BSIL) may hedge our obligations under the Notes by the purchase and sale of exchange-traded and over-the-counter options on, or other derivative or synthetic instruments related to, the Index, the Index Components, individual futures contracts on the Index, the Index Components, and/or options on these futures contracts.

At various times after the initial offering and before the maturity of the Notes, depending on market conditions (including the values of the Index Components), in connection with hedging with respect to the Notes, we expect that we and/or one or more of our subsidiaries will increase or decrease those initial hedging positions using dynamic hedging techniques and may take long or short positions in these instruments. In addition, we and/or one or more of our subsidiaries may periodically purchase or otherwise acquire a long or short position in the Notes and may, in our or its discretion, hold or resell such Notes. We or one or more of our subsidiaries may also take positions in other types of appropriate financial instruments that may become available in the future. If we or one or more of our subsidiaries has a long hedge position in these instruments, then we or one or more of our subsidiaries may liquidate a portion of these instruments at or about the time of the maturity of the Notes. Depending on, among other things, future market conditions, the total amount and the composition of such positions are likely to vary over time. We will not be able to ascertain our profits or losses from any hedging position until such position is closed out and any offsetting position or positions are taken into account. Although we have no reason to believe that any such hedging activity will have a material effect on the price of these instruments or on the level of the Index or the values of the Index Components, we cannot guarantee that we and one or more of our subsidiaries will not affect these levels as a result of its hedging activities. You should also refer to "Use of Proceeds" in the accompanying prospectus.

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APPENDIX 2 - REDEMPTION CONFIRMATION

Dated: _____

The Bear Stearns Companies Inc

Calculation Agent: Bear, Stearns & Co. Inc.

Fax: 917-849-0549

Dear Sirs:

The undersigned holder of The Bear Stearns Companies Inc. BearLinxSM Alerian MLP Select Index ETN CUSIP No. 073902835 (the "Notes"), hereby irrevocably elects to exercise, with respect to the number of Notes indicated below, as of the date hereof, the redemption right described in the pricing supplement relating to the Notes (the "Pricing Supplement"). Terms not defined herein have the meanings given to such terms in the Pricing Supplement.

The undersigned certifies to you that it will (i) instruct its DTC custodian with respect to the Notes (specified below) to book a delivery vs. payment trade on the first Business Day following the final Index Business Day in the Final Measurement Period with respect to the number of Notes specified below at a price per Note equal to the Redemption Amount, facing Bear Stearns DTC 0352 and (ii) cause the DTC custodian to deliver the trade as booked for settlement via DTC at or prior to 10:00 a.m. New York City time on the Maturity Date.

Very truly yours,
[NAME OF HOLDER]

Name:
Title:
Telephone:
Fax:
E-mail:

Number of Notes surrendered for redemption: _____
DTC # (and any relevant sub-account): _____
Contact Name:
Telephone:

(You must redeem at least 75,000 Notes at one time in order to exercise your right to redeem your Notes in accordance with the terms set forth in the Pricing Supplement)

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